



Appropriations Update

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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Volume 5, No. 12

28 July 2005

FISCAL YEAR 2006 INTERIOR, ENVIRONMENT, AND RELATED AGENCIES APPROPRIATIONS BILL – H.R. 2361 Conference Report

SUMMARY

The conference report on the Departments of Interior, Environment, and Related Agencies appropriations, filed on 26 July 2005 (H.R. 2361; H.Rept. 109-188), provides \$26.159 billion in new budget authority [BA] for fiscal year 2006.

Fiscal year 2006 spending in the measure – the first appropriations conference report for the year beginning on 1 October 2005 – slightly exceeds the suballocation assigned to the bill by the full Appropriations Committee when it was first considered by the House. Due to other budgetary requirements, the Committee on Appropriations is of the view it cannot revise the suballocation for the conference

report. As a result, a technical violation of the Congressional Budget Act occurs.

The conference report also provides \$1.5 billion in BA for veterans medical care that is available upon enactment. This budget authority is counted as a supplemental 2005 appropriation. As such, it causes fiscal year 2005 appropriations to breach the overall limit for discretionary (annually appropriated) spending in the budget resolution (H.Con.Res. 95). This also violates the Budget Act.

The rule for debate on the conference report waives all points of order against its consideration.

COST OF THE LEGISLATION

The conference report provides \$26.159 billion in new budget authority, and \$28.760 billion in outlays for 2006 – a decrease of \$601 million, or 2.2 percent, in BA, and an increase of \$1.972 billion in outlays from fiscal year 2005. The large outlay increase is due to the inclusion of 2005 funds for the Department of Veterans Affairs Medical Programs that have no associated 2006 BA.

Although budget authority is below prior-year levels – largely due to one-time spending for wildfires last year – it exceeds the President's request by \$484 million. Savings in the agreement are achieved by a change in a mandatory spending program, and by a rescission of previously enacted discretionary appropriations. These also are discussed in more detail below.

Table 1: Department of the Interior, Environment, and Related Agencies Appropriations Bill
(fiscal years; millions of dollars)

	2005 Spending ^a	Administration 2006	302 (b) for 2006	Bill
Budget Authority	26,760	25,675	26,107	26,159
Outlays	26,788	27,469	27,500	28,760

^a Excludes emergency-designated appropriations.

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This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of all the committee's members.

COMPLIANCE WITH THE BUDGET RESOLUTION

The conference report exceeds, by \$52 million, the 302(b) allocation provided to the Appropriations Subcommittee on Interior, Environment, and Related Agencies. Technically, this violates section 302(f) of the Congressional Budget Act, which prohibits consideration of appropriations measures that exceed the applicable 302(b) suballocation to their respective subcommittees. There is a concern the suballocation cannot be altered because of a related provision of the Congressional Budget Act. The provision – section 302(e) – requires that 302(b) suballocations be consistent with House action on legislation under the committee’s jurisdiction. (This section was intended to preclude the Appropriations Committee from effectively

paying for higher appropriations in select bills by reducing the allocations for previously passed bills below their actual House-passed levels. It was not intended to preclude adjustments of allocations for conference reports.)

The conference agreement does not contain advance appropriations or emergency-designated spending, the use of which are governed by the budget resolution – and hence complies with those provisions of the budget resolution.

Absent changes in the suballocation procedures, the technical violation in this measure could arise again with future conference reports, also because of section 302(e).

Table 2: Discretionary Spending in the Interior, Environment and Related Agencies Appropriations Bill
(in millions of dollars)

	2005 Budget Authority	2005 Outlays	2006 Budget Authority	2006 Outlays	Difference BA	Difference Outlays
Department of Interior	9,801	9,446	9,881	10,086	80	640
<i>Bureau of Land Management</i>	1,797	1,675	1,759	1,794	-38	119
<i>U.S. Fish and Wildlife Service</i>	1,292	1,261	1,330	1,300	38	39
<i>National Park Service</i>	2,317	2,376	2,282	2,451	-35	75
<i>Bureau of Indian Affairs</i>	2,296	2,100	2,308	2,330	12	230
<i>Other, Department of Interior</i>	2,099	2,034	2,202	2,211	103	177
Environmental Protection Agency	8,023	8,435	7,733	8,672	-290	237
Forest Service (USDA)	4,672	4,700	4,263	4,368	-409	-332
Health and Human Services	3,139	3,071	3,246	3,259	107	188
Other	<u>1,125</u>	<u>1,136</u>	<u>1,036</u>	<u>2,375</u>	<u>-89</u>	<u>1,239</u>
Total	26,760	26,788	26,159	28,760	-601	1,972

DISCUSSION

The conference report provides \$9.9 billion in discretionary BA to the Department of the Interior, which is \$80 million higher than the 2005 enacted level (see Table 2 above). Within the department, BA is reduced from the 2005 level by 2 percent for the Bureau of Land Management (\$38 million), and the National Park Service (\$35 million); it is increased by 1 percent for the Bureau of Indian Affairs (\$12 million); and it is increased for the U.S. Fish and Wildlife Service by 3 percent (\$38 million). Also, land acquisition accounts for Interior agencies, as well as USDA’s Forest Service, are \$25 million less than fiscal year 2005.

The agreement provides \$7.7 billion to the Environmental Protection Agency [EPA], a reduction from the \$8 billion enacted in 2005. EPA’s Clean Water State Revolving Fund received a 2006 appropriation of \$900 million, compared to \$1.1 billion last year, and accounts for much of this reduction.

Along with the reductions in the USDA’s Forest Service wildland fire management account, and land acquisition accounts, the capital improvement and maintenance account was reduced by \$135 million (23 percent) relative to fiscal

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year 2005. This account had been increasing at more than 7 percent per year since 2000.

The bill provides for an increase of \$106 million in funding for the Indian Health Service, which accounts for 95 percent of the spending for the Department of Health and Human Services included in this bill.

OFFSETS

The conference agreement includes none of the administration-proposed user fees for EPA's pesticide programs. Nevertheless, the measure does include, as offsets, a change in a mandatory spending program, and a rescission of previously enacted budget authority.

- *Changes in Mandatory Programs.* The bill reduces a mandatory National Park Service contract authority account by \$30 million in budget authority, thereby changing a mandatory spending program – a program whose spending is not subject to annual appropriations – to offset discretionary spending.
- *Rescissions.* The bill rescinds \$80 million in multi-year and no-year funding for grants, contracts, and

interagency agreements from various EPA accounts. Outlays flowing from this rescission total only \$4 million.

VETERANS SPENDING

As noted, the conference agreement includes \$1.5 billion in 2005 discretionary budget authority for medical services provided by the Department of Veterans Affairs, available until the end of fiscal year 2006. This appropriation responds to the administration's supplemental appropriation request, on 30 June 2005, for \$975 million for 2005, and additional fiscal year 2006 funds requested on July 14 in the budget amendment for by the Department of Veterans Affairs medical care.

REVENUE

The conference agreement provides the authority for the Indian Gaming Commission to impose fees not to exceed \$12 million for 2007. These fees are classified as revenue, and will provide an additional \$4 million in 2007. It also provides for a 9-month extension of certain fees under the Surface Mining Control and Reclamation Act of 1977, for coal produced after 30 September 2005. These fees also are classified as revenue, and are estimated at \$122 million.

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